

BY-LAWS OF
HIGH PARK TERRACE COOPERATIVE CORPORATION

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ARTICLE I

NAME AND LOCATION OF CORPORATION

Section 1. The name of this Corporation is High Park Terrace Cooperative Corporation. Its principal office is located at 36 Muhammad Ali Avenue, Newark, New Jersey.

ARTICLE II

PURPOSE

Section 1. The purpose of this Corporation is to provide its stockholders with housing and community facilities, if any, on a nonprofit basis consonant with the provisions set forth in its Certificate of Incorporation.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility. Any natural person approved by the Board of Directors shall be eligible for stock ownership (hereinafter referred to as membership), provided that he or she executes a Subscription Agreement and Occupancy Agreement in the usual form employed by the Corporation covering a specific unit in the housing project.

Section 2. Application for Membership. Application for membership shall be presented in person on a form prescribed by the Board of Directors, and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Members. The members shall consist of the incorporators and such subscribers as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates. The authorized membership of the Corporation shall consist of 216 regular memberships.

Section 4. Membership Certificates. Each membership certificate shall state that the Corporation is organized under the laws of the State of New Jersey, the name of the registered holder of the membership represented thereby, the Corporation lien rights as against such membership as set forth in this Article, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Membership certificates

*Change by Davis
Account to go to books to make sure of what we
need. We should know about why a rent increase*

ARTICLE VI

OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with cause and his successors elected at any regular meeting of the Board of Directors, or at any special meeting of the Board for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice-President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have the custody of the seal of the Corporation; he shall have charge of the stock transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

ISSUANCE OF SPECIAL STOCK TO FHA

Section 1. Rights of Federal Housing Administration. The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers, and privileges of the Federal Housing Administration pursuant to a Regulatory Agreement between the Corporation and the Federal Housing Administration. The Corporation is bound by the provisions of the Regulatory Agreement which is a condition precedent to the insurance of a mortgage of the Corporation on the project.

ARTICLE VIII

AMENDMENTS

Section 1. These By-Laws may be amended by the affirmative vote of the majority of those regular members of record attending a duly constituted regular or special meeting of the Corporation, provided that no amendment shall become effective unless and until it has received the written approval of the Administration.

Amendments may be proposed by the Board of Directors or by a petition signed by at least 20% of the membership of the Corporation. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE IX

CORPORATE SEAL

Section 1. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which shall be in charge of the Secretary. If

so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE X

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the Administration.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts prescribed by the FHA Commissioner. That amount of the carrying charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant or other person acceptable to the Administration, whose report will be prepared and certified in accordance with the requirements of the Administration. Based on such reports, the Corporation will furnish its members with an annual financial statement including the income and disbursements of the Corporation. The Corporation will also supply the members, as soon as practicable after the end of each calendar year, with a statement showing each member's pro rata share of the real estate taxes and mortgage interest paid by the Corporation during the preceding calendar year.

Section 4. Inspection of Books. Financial reports such as are required to be furnished to the Administration and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes

shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President or Vice-President, and the Secretary, and shall be sealed with the corporate seal.

Section 5. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 6. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever; including any sums due under any occupancy agreements.

Section 7. Transfer of Memberships.

(a) General Principals. Except as provided herein, membership shall not be transferable and, in any event, no transfer of membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the members.

(b) Letting any Subletting of Members Units. Members must occupy and may neither assign nor sublet their dwelling unit or any other rights specified under the Occupancy Agreement without the written consent of the Corporation under terms and conditions to be established by the Board of Directors, including those terms and conditions specified in Article III, Section 4 hereof. Approval shall be communicated on a form approved by the Federal Housing Administration. The liability of the Member under the Occupancy Agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the approval of the Corporation and the Member shall be responsible to the Corporation for the conduct of the sublessee. Any unauthorized subleasing shall, at the option of the Corporation,

result in the termination and forfeiture of the member's rights under the Occupancy Agreement.

(c) Death of Member. If, upon death of a member, his membership in the Corporation passes by Will or intestate distribution to a member of his immediate family, such legatee or distributee may, by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement, where required by the Administration, within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the Corporation. If member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in paragraph (d) of this section, written notice of the death being equivalent to notice of intention to withdraw.

(d) Option of Corporation to Purchase. If a member in good standing desires to terminate his membership in High Park Terrace Cooperative Corporation, he shall notify the Corporation through its secretary at the corporate office at 36 Muhammad Ali Avenue, Newark, New Jersey or at such other office as may be specified in the future, in writing, of such intention at least thirty (30) days prior to his intended date of termination of the membership. The Corporation shall have an option for a period of thirty (30) days following notification hereof, but not obligation, to purchase said membership together with all of the member's rights with respect to the dwelling unit at an amount to be determined by the Board of Directors of the Corporation as the fair market value thereof, less any amounts due by the member of the Corporation under the Occupancy Agreement, and less the cost or estimated cost deemed necessary by the Board of Directors or its agents to place the dwelling unit in a condition suitable for occupancy. If the Corporation should choose not to exercise its option to purchase the said membership, the Corporation retains the right to levy as assessment against the departing member for those amounts determined by the Corporation reasonably to reimburse the Corporation for placing the dwelling unit in a suitable condition for another occupant. Objections to deductions from the fair market value of membership as reimbursements for the above costs or estimated costs deemed necessary shall be made to the Board of Directors within thirty (30) days from the receipt of an inspection report by the member.

(e) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives its rights to purchase the membership under the foregoing option, or if the

Corporation fails to exercise such option within the thirty (30) day period, the member may sell his membership to any person who has been duly approved by the Corporation as a member and occupant. Memberships may be sold by the member only to a person approved by the Board of Directors in accordance with the requirements of the Regulatory Agreement. If the Corporation agrees, at the request of the member, to assist the member in finding a purchaser, the Corporation shall be entitled to charge the member a fee not in excess of \$100. When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring member shall be released of his obligations under his Occupancy Agreement, provided he has paid all amounts due the Corporation to date.

Section 8. Termination of Membership for Cause. In the event the Corporation terminates the rights of a member under the Occupancy Agreement, the member shall be required to deliver promptly to the Corporation his membership certificate and his Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said membership at the fair market value established by the Corporation, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser at a sales price acceptable to the Corporation. The retiring member shall be entitled to receive the amount of the sales price less the following amounts (the determination of such amounts by the Corporation to be conclusive):

- (a) any amounts due to the Corporation from the member under the Occupancy Agreement;
- (b) the cost or estimated cost deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; and
- (c) legal and other expenses incurred by the Corporation in connection with the default of such member and the resale of his membership. In the event the retiring member for any reason should fail for a period of ten (10) days after demand to deliver to the Corporation his endorsed membership certificate, said membership certificate shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new purchaser.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the Corporation shall be held upon the call of the first Board of Directors. Thereafter the annual meetings of the Corporation shall be held on the 4th Sunday in April of each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 3 of Article V of the By-Laws. The members may also transact such other business of the Corporation as may properly come before them. (According to the agenda).

Section 3. Special Meeting. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20) percent (43) members of the members having been presented to the Secretary or any officer of the Board of Directors, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present, either in person or by proxy.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least five (5) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling unit or last known address. Notice by either such method shall be considered as notice served. Notices of all meetings shall be mailed to the Director of the local insuring office of the Federal Housing Administration.

Section 5. Quorum. The presence of at least 15% (32 Shareholders) of the members of record of the corporation

*4th Saturday - 10 o'clock
for Shareholder meeting*

shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten percent.

Section 7. Voting. at every meeting of the regular members, each member present, either in person or by proxy, shall have the right to cast one vote on each question and never more than one vote. The vote of the majority of those present, in person or by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than thirty (30) days delinquent in payments due the Corporation under his Occupancy Agreement.

Section 8. Proxies. With regard to votes of the membership at any annual meeting or special meeting of the Corporation at which specific items of business or issues of policy may be considered, any member in good standing shall have the right to appoint as his proxy any other member in good standing of the corporation. Proxies shall specifically designate those issues and items of business for which the proxy is appointed and said proxy must register his position as such on each issue or item of business with the managing agent or the chief executive officer of the corporation at least three days but no more than seven days prior to the annual or special meeting in question. Proxies are to be signed by the shareholder and witnessed and acknowledged before a notary public of the State of New Jersey or such other officer authorized to take oaths under the Laws of the State of New Jersey. In no case may a member cast more than four (4) votes by proxy in addition to his own vote. Original copies of each proxy must be filed with the secretary of the corporation in person before the appointed time of each meeting. Proxies may not be counted in determination of a quorum at an annual or special meeting.

*(Board to Call a special meeting September 5th - 10 o'clock)
Special meeting: date & place 2nd Sunday in September*

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

In the case of special meetings, items (a) through (d) shall be inapplicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

If present, a representative of the Administration will be given an opportunity to address any regular or special meeting.

ARTICLE V

DIRECTORS

Section 1. Number and Qualifications. The affairs of the Corporation shall be governed by a Board of Directors composed of seven (7) persons, all of whom shall be members of the Corporation.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited:

- (a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, either directly or through an authorized representative.
- (b) Subject to the approval of the Administration, to establish monthly carrying charges as provided for in the Occupancy Agreement, based on an operating budget formally adopted by such Board.
- (c) Subject to the approval of the Administration, to engage an agent or employees for the management of the project under such terms as the Board may determine.
- (d) To authorize in their discretion patronage refunds from residual receipts when and as reflected in the annual report.
- (e) To terminate membership and occupancy rights for cause.
- (f) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws and the Certificate of Incorporation; and
- (g) Pursuant to a plan approved by the Administration, to prescribe additional monthly carrying charges to be paid by families whose incomes exceed the limitations by the Administration; or, at the Board's option, to terminate the membership and occupancy of such families.

Section 3. Election and Term of Office. The term of the Directors named in the Certificate of Incorporation shall expire when their successors have been elected at the first annual meeting or any special meeting called for that purpose. At the first annual meeting of the members the term of office of four (4) Directors shall be fixed for three (3) years. The term of office of two (2) Directors shall be fixed at two (2) years, and the term of one (1) Director shall be fixed at one (1) year. At the expiration of the initial term of office of such respective Directors, their successors shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and held their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director may be removed with cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who (a) becomes more than 30 days delinquent in payment of his carrying charges shall be automatically suspended with no voting rights, and after 60 days be automatically terminated; (b) if the arrearage has not been rectified, the remaining Directors shall appoint his successor as provided in Section 4, above; (c) any Director missing three (3) consecutive special or regular meetings without valid reason will be automatically terminated.

Section 6. Compensation. No compensation shall be paid to Directors or Committees for their services as Directors or Members. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by majority of regular membership of record before the services are undertaken. No remuneration or compensation shall in any case be paid to a Director without the approval of the Administration. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held

during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice of each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

Section 13. Safeguarding Subscription Funds. It shall be the duty of the Board of Directors to see to it that all sums received in connection with membership subscriptions prior to the closing of the mortgage transaction covering the housing project of the Corporation, are deposited and withdrawn only in the manner provided for in Article III, Section 3 of these By-Laws.